Introduced by Committee on Environmental Quality (Senators Lowenthal (Chair), Campbell, Chesbro, Cox, Escutia, Figueroa, Kuehl, Runner, and Simitian)

March 3, 2005

An act to amend Sections 10406 and 12200 of, to add Sections 6615, 12201, 12203, 12207, 12209, 12211, 12215, and 12217 to, to add Article 3.5 (commencing with Section 12190) to Chapter 4 of Part 2 of Division 2 of, to repeal Sections 10233, 10308.5, 10354, 10507, 10855, 10860, 12150, 12153, 12155, 12157, 12158, 12159, 12160, 12161, 12162, 12162.5, 12163, 12164, 12168, 12169, 12181, 12182, 12185, 12210, 12213, 12225, and 12226 of, to repeal Article 2.1 (commencing with Section 12170) of Chapter 4 of Part 2 of Division 2 of, and to repeal and add Section 12205 of, the Public Contract Code, and to amend Sections 40183, 49120, and 49300 of, and to repeal Article 3 (commencing with Section 42220) of Chapter 4 of, Article 1 (commencing with Section 42360) of Chapter 6 of, and Article 2 (commencing with Section 42370) of Chapter 6 of, Part 3 of Division 30 of, the Public Resources Code, relating to public contracts.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1106, as introduced, Committee on Environmental Quality. Public contracts: procurement: recycled goods: solid waste.

(1) Existing law provides various procedures for the acquisition of goods and services by the state. Existing law also provides various procedures and requirements pertaining to the purchase of recycled items by the state.

This bill would consolidate, update, and clarify existing recycling laws, eliminate duplicative provisions, and establish or restate recycling goals and reporting requirements of state agencies in accordance with specified timeframes, as provided. The bill would

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also require local public entities to purchase recycled products instead of nonrecycled products, as specified.

(2) Existing law defines a "rural city" for purposes of certain provisions relating to waste management as an "incorporated city" that meets certain conditions. Existing law authorizes the formation of garbage and refuse disposal districts under certain conditions, including that the governing board of a district that includes only one "incorporated city" have 2 members selected by the board of supervisors and one member selected by the city council. Existing law also authorizes the legislative body of an "incorporated city" to contract for garbage collection and disposal, as specified.

This bill would remove the reference to cities described in these provisions as being incorporated.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:* 

- 1 SECTION 1. Section 6615 is added to the Public Contract 2 Code, to read:
- 3 6615. For all state contracts, and, to the extent feasible, all
- 4 federally funded contracts awarded pursuant to Chapter 1
- 5 (commencing with Section 10100), Chapter 2 (commencing with
- 6 Section 10290), Chapter 2.5 (commencing with Section 10700),
- 7 Chapter 3 (commencing with Section 12100), Chapter 3.5
- 8 (commencing with Section 12120), and Chapter 3.6
- 9 (commencing with Section 12125) of Part 2 of Division 2, shall
- 10 be in compliance with Section 12205.
- 11 SEC. 2. Section 10233 of the Public Contract Code is 12 repealed.
- 13 10233. Contractors shall certify in writing, under penalty of
- perjury, to the department awarding a contract under this part, the minimum, if not exact, percentage of recycled content, both
- 16 posteonsumer material and secondary material as defined in
- 17 Sections 12161 and 12200, in materials, goods, or supplies
- 18 offered or products used in the performance of the contract,
- 19 regardless of whether the product meets the required recycled
- 20 product percentage as defined in Sections 12161 and 12200. The
- 21 contractor may certify that the product contains zero recycled

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content. This section shall apply to all state contracts and, to the extent feasible, all federally funded contracts.

 SEC. 3. Section 10308.5 of the Public Contract Code is repealed.

10308.5. Contractors shall certify in writing, under penalty of perjury, to the state agency awarding a contract, the minimum, if not exact, percentage of recycled content, both postconsumer material and secondary material as defined in Sections 12161 and 12200, in goods offered or products used in the performance of the contract, regardless of whether the product meets the required recycled product percentage as defined in Sections 12161 and 12200. The contractor may certify that the product contains zero recycled content. This section shall apply to all state contracts and, to the extent feasible, all federally funded contracts.

SEC. 4. Section 10354 of the Public Contract Code is repealed.

10354. Contractors shall certify in writing, under penalty of perjury, to the state agency awarding a contract, the minimum, if not exact, percentage of recycled content, both postconsumer material and secondary material as defined in Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of the contract, regardless of whether the product meets the required recycled product percentage as defined in Sections 12161 and 12200. The contractor may certify that the product contains zero recycled content. This section shall apply to all state contracts and, to the extent feasible, all federally funded contracts.

SEC. 5. Section 10406 of the Public Contract Code is amended to read:

10406. Every Each procuring agency shall continuously review and revise its procedures and specifications for the purchase of lubricating oil and industrial oil to eliminate any exclusion of recycled oils and any requirement that oils be manufactured from virgin materials. This section does not prohibit a local agency from purchasing virgin oil products for exclusive use in vehicles whose warranties expressly prohibit the use of products containing recycled oil.

SEC. 6. Section 10507 of the Public Contract Code is repealed.

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10507. For the purpose of this article, "recycled paper" means all paper and woodpulp products containing posteonsumer and secondary materials as defined in this section. "Posteonsumer material" means a finished material which would normally be disposed of as a solid waste, having completed its life cycle as a consumer item. "Secondary material" means fragments of products or finished products of a manufacturing process, which has converted a virgin resource into a commodity of real economic value, and includes posteonsumer material, but does not include fibrous waste generated during the manufacturing process such as fibers recovered from wastewater or trimmings of paper machine rolls (mill broke), wood slabs, chips, sawdust or other wood residue from a manufacturing process.

"Recycled paper" means a paper product with not less than 50 percent, by fiber weight, consisting of secondary and posteonsumer material, with not less than 10 percent of the fiber weight consisting of posteonsumer material.

For high speed copier paper, offset paper, forms bond, computer printout paper, carbonless paper, file folders, white wove envelopes, and for other uncoated printing and writing papers, such as writing and office paper, book paper, cotton fiber paper containing 25 to 75 percent cotton fiber, and cover stock, the minimum content standard shall be no less than 20 percent of fiber weight of postconsumer materials beginning December 31, 1994. The minimum content standard shall be increased to 30 percent of fiber weight of postconsumer materials beginning on December 31, 1998.

SEC. 7. Section 10855 of the Public Contract Code is repealed.

10855. For the purpose of this article, "recycled paper product" means all paper and woodpulp products containing posteonsumer and secondary materials as defined in this section. "Posteonsumer material" means a finished material which would normally be disposed of as a solid waste, having completed its life cycle as a consumer item. "Secondary material" means fragments of products or finished products of a manufacturing process, which has converted a virgin resource into a commodity of real economic value, and includes posteonsumer material, but does not include fibrous waste generated during the manufacturing process such as fibers recovered from wastewater

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or trimmings of paper machine rolls (mill broke), wood slabs, chips, sawdust, or other wood residue from a manufacturing process.

"Recycled paper product" means a paper product with not less than 50 percent, by fiber weight, consisting of secondary and postconsumer material with not less than 10 percent of fiber weight consisting of postconsumer material.

For high speed copier paper, offset paper, forms bond, computer printout paper, carbonless paper, file folders, white wove envelopes, and for other uncoated printing and writing papers, such as writing and office paper, book paper, cotton fiber paper containing 25 to 75 percent cotton fiber, and cover stock, the minimum content standard shall be no less than 20 percent of fiber weight of postconsumer materials beginning December 31, 1994. The minimum content standard shall be increased to 30 percent of fiber weight of postconsumer materials beginning on December 31, 1998.

- SEC. 8. Section 10860 of the Public Contract Code is repealed.
- 10860. (a) The trustees shall revise the procedures and specifications for purchases of paper products to give preference, wherever feasible, to the purchase of paper products containing recycled paper products pursuant to Section 10855.
- (b) The trustees shall give purchase preference to recycled paper products when both of the following apply:
- (1) The products can be substituted for, and cost no more than, nonrecycled paper products.
  - (2) The products meet all applicable standards and regulations.
- (c) To encourage the use of postconsumer material, the trustees' specifications shall require recycled paper product contracts to be awarded to the bidder whose paper product contains the greater percentage of postconsumer material if the fitness and quality and price meet the requirements in this section and Section 10855.
- (d) (1) The trustees shall set the following goals for the purchasing of recycled paper products:
- 37 (A) By January 1, 1992, at least 35 percent of the total dollar 38 amount of paper products purchased or procured by the trustees 39 shall be purchased as a recycled paper product.

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(B) By January 1, 1994, at least 40 percent of the total dollar amount of paper products purchased or procured by the trustees shall be purchased as a recycled paper product.

- (C) By January 1, 1996, at least 50 percent of the total dollar amount of paper products purchased or procured by the trustees shall be purchased as a recycled paper product.
- (2) If, at any time a goal has not been met, the trustees and the Department of General Services, in consultation with the California Integrated Waste Management Board, shall review procurement policies and shall make recommendations for immediate revisions to ensure that each goal is met. Revisions include, but are not limited to, providing a purchasing preference and altering the goals.
- SEC. 9. Section 12150 of the Public Contract Code is repealed.
- 12150. This chapter shall be known and may be cited as the State Assistance for Recycling (STAR) Markets Act of 1989.
- SEC. 10. Section 12153 of the Public Contract Code is repealed.
- 12153. The Legislature finds and declares all of the following:
- (a) It is the policy of the state to conserve and protect resources for future citizens as well as the current population of the state.
- (b) It is in the best interest of the people of the state that the state alter its perception of solid waste to instead look upon this waste as resources that can be recovered and reused.
- (e) It is in the best interest of reducing the increasing burden on communities disposing of the state's solid waste for the state to take a role in developing an integrated state solid waste management policy, which includes source reduction, recycling, composting, market development, incineration, and landfills. Since recycling is a necessary component of this policy, the state shall encourage the use of recycled products to ensure that the state's industries have sufficient and adequate markets for products regeneratively utilizing the state's solid waste as recycled resources.
- (d) It is the policy of the state to encourage the expansion of businesses located in California and, to whatever extent possible, to look favorably on California businesses in the recycling

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industry, which include, but are not limited to, those California businesses that manufacture, distribute, or act as brokers for, recycled products.

- (e) Market development is the key to moving beyond the uneven collection of recyclable materials to stable resource recovery and reuse. Because of existing local collection programs, significant quantities of recycled resources such as the following are today available for purchase: fine grades of paper, high-quality paper products, plastics, retreaded automobile tires, rerefined lubricating oil, reused automotive parts, reclaimed solvents, recycled asphalt, recycled concrete, carpet or geotextiles composed of recycled plastics, compost and co-compost products, and steel products.
- (f) In making these findings, the Legislature declares that the policy and intent of this chapter is to set an example for the state and nation to encourage the purchase of products utilizing recycled resources.
- (g) It is the intent of the Legislature, whenever economically feasible and as markets allow, to continually expand the policies of the state to utilize recycled resources in the daily operations of the state. This includes, but is not limited to, the procurement and purchase of recycled materials, the use of recycled resources in the performance of a service or project for the state, and the purchase of equipment used for the collection and sale of waste materials generated by the state.
- (h) It is the intent of the Legislature that the Department of General Services work with all state departments, agencies, the Legislature, the California Integrated Waste Management Board, and the Department of Conservation to draft, establish, and implement policies that ensure the procurement and use of recycled resources.
- (i) It is also the intent of the Legislature to encourage local public agencies and private companies to adopt policies to maximize the use of recycled resources.
- SEC. 11. Section 12155 of the Public Contract Code is repealed.
- 37 12155. As used in this chapter, the following definitions shall apply:
  - (a) "Department" means the Department of General Services.
  - (b) "Director" means the Director of General Services.

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1 (e) "Procuring agency" means the Department of General
2 Services and any other state department or agency having
3 delegated procurement authority granted pursuant to Section
4 10333 with an annual total dollar limit above one million dollars
5 (\$1,000,000) as prescribed by the Office of Procurement within
6 the Department of General Services.

- (d) "Board" means the California Integrated Waste Management Board, as defined pursuant to Section 40110 of the Public Resources Code.
- SEC. 12. Section 12157 of the Public Contract Code is repealed.
  - 12157. This chapter applies to the procurement and purchase of the following materials, goods, and supplies, or products containing the following recycled resources and meeting the specified recycled content requirements pursuant to Section 12161, 12181, 12182, or 12200, whichever is applicable:
  - (a) Recycled paper products, which include, but are not limited to, fine grades of paper, corrugated boxes, newsprint, tissue, and toweling.
- 20 (b) Compost and co-compost products.
- 21 <del>(c) Glass.</del>
- 22 <del>(d) Oil.</del>

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- 23 (e) Plastie.
- 24 (f) Solvents and paint, including water-based paint.
- 25 <del>(g) Tires.</del>
- 26 (h) Steel.
- SEC. 13. Section 12158 of the Public Contract Code is repealed.
- 29 12158. This chapter does not apply to the procurement and 30 purchase of asphalt concrete and portland cement concrete 31 pavement.
- 32 SEC. 14. Section 12159 of the Public Contract Code is repealed.
  - of Section 12200, costs more than the same product made with virgin material, the state agency shall, if feasible, purchase fewer of those more costly products or apply the cost savings, if any, gained from buying other recycled products towards the purchase of those more costly products to meet the solid waste diversion goals of Section 41780.

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(b) All state agencies shall, if feasible, establish purchasing practices which ensure the purchase of materials, goods, and supplies that may be recycled or reused. Each state agency shall initiate activities for the collection, separation, and recycling of recyclable materials and may appoint a recycling coordinator to assist in implementing this section.

SEC. 15. Section 12160 of the Public Contract Code is repealed.

12160. The Legislature finds and declares that it is the policy of the state to conserve and protect its resources. The maintenance of a quality environment for the people of this state now and in the future is a matter of statewide concern.

The Legislature further finds and declares that the volume of solid waste generated within the state coupled with an increased rate in the consumption of paper products and the absence of adequate programs and procedures for the reuse of these materials threaten the quality of the environment and well-being of the people of California.

In making these findings, the Legislature declares that the policy and intent of this article is to improve environmental quality by the recycling of paper products.

SEC. 16. Section 12161 of the Public Contract Code is repealed.

12161. For the purpose of this article, "recycled paper product" means all paper and woodpulp products containing posteonsumer and secondary materials, as defined in this section. "Posteonsumer material" means a finished material which would normally be disposed of as a solid waste, having completed its life cycle as a consumer item. "Secondary material" means fragments of finished products or finished products of a manufacturing process, which has converted a virgin resource into a commodity of real economic value, and includes posteonsumer material, but does not include fibrous waste generated during the manufacturing process such as fibers recovered from wastewater or trimmings of paper machine rolls (mill broke), wood slabs, chips, sawdust, or other wood residue from a manufacturing process.

"Recycled paper product" means a paper product with not less than 50 percent, by fiber weight, consisting of secondary and

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postconsumer material with not less than 10 percent of fiber weight consisting of postconsumer material.

For high speed copier paper, offset paper, forms bond, computer printout paper, carbonless paper, file folders, white wove envelopes, and for other uncoated printing and writing papers, such as writing and office paper, book paper, cotton fiber paper containing 25 to 75 percent cotton fiber, and cover stock, the minimum content standard shall be no less than 20 percent of fiber weight of postconsumer materials beginning December 31, 1994. The minimum content standard shall be increased to 30 percent of fiber weight of postconsumer materials beginning on December 31, 1998.

SEC. 17. Section 12162 of the Public Contract Code is repealed.

12162. (a) At least 50 percent of the total dollar amount of paper products purchased or procured shall be a recycled paper product, as defined in Section 12161. In addition, at least 25 percent of the total fine writing and printing paper purchased or procured shall be a recycled paper product, as defined in Section 12161.

- (b) All state agencies shall report to the department and to the board on their progress in meeting the requirements of subdivision (a) and Section 12205. The department shall develop a uniform reporting procedure which state agencies shall follow. If at any time a requirement has not been met, the department, in consultation with the board, shall review procurement policies and shall make recommendations for immediate revisions to ensure that the requirement is met. The department, in consultation with the board, shall present its recommendations on these procurement policies to the Legislature in the department's annual report pursuant to Section 12225.
- (c) (1) All state agencies shall give a price preference, not to exceed 10 percent, to recycled paper products, if the product's fitness, quality, and availability are comparable to nonrecycled products. The board, in consultation with the department, shall establish, on or before May 1, 1994, and every two years thereafter, price preferences for the purposes of meeting the goals set forth in this section and Section 12205 for recycled products. For those priority commodities, as defined by the board, the price preference established by the board shall not be less than 5

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percent. The board shall publish the established price preferences annually in the board's report to the Legislature pursuant to Section 40507 of the Public Resources Code.

- (2) In establishing the price preferences, the board shall take into consideration all of the following factors:
- (A) Materials that comprise the largest percentage of the state's solid waste stream.
- (B) Materials that have the highest percentage of postconsumer material.
  - (C) Materials that require expanded markets.

- (D) Any other market factors as determined by the board.
- (3) The combined dollar amount of preference granted pursuant to this section and any other provision of law shall not exceed one hundred thousand dollars (\$100,000).
- (d) Notwithstanding paragraph (1) of subdivision (c), the recycled paper bidder preference shall not exceed fifty thousand dollars (\$50,000) if a preference exceeding that amount would preclude an award to a small business that offers nonrecycled paper products and is qualified in accordance with Section 14838 of the Government Code.
- SEC. 18. Section 12162.5 of the Public Contract Code is repealed.
- 12162.5. All state agencies may, at the discretion of the individual agency director, print a symbol on paper products selected by the agency director. This symbol shall be determined by the department, in consultation with the board, and shall be similar to the following: "Printed on Recycled Paper." This symbol shall be printed only on paper products meeting the definition of recycled paper products in Section 12161.
- SEC. 19. Section 12163 of the Public Contract Code is repealed.
- 12163. (a) The director, in consultation with the board, shall review the procurement specifications currently used by the department in order to eliminate, wherever economically feasible, discrimination against the procurement of recycled paper products.
- (b) The director, in consultation with the board, shall review the recycled paper product specifications at least annually to consider increasing the percentage of recycled paper product in paper and woodpulp product purchases. The director shall

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1 include his or her conclusions and recommendations in the department's annual report pursuant to Section 12225.

- (e) When contracting with the department for the sale of material subject to this article, the contractor shall certify in writing to the contracting officer or his or her representative that the material offered contains the minimum percentage of recycled paper required by Section 12161 and shall specify the minimum, if not exact, percentage of secondary and posteonsumer material in the paper products. The certification shall be furnished under penalty of perjury.
- (d) The department, in consultation with the board, shall establish purchasing practices which, to the maximum extent economically feasible, assure purchase of materials which may be recycled or reused when discarded.
- (e) The department shall make every effort to eliminate purchases of paper products deemed potential contaminants to the state's recycling program pursuant to Section 12165.
- SEC. 20. Section 12164 of the Public Contract Code is repealed.
- 12164. The department shall require the persons with whom it contracts to use, to the maximum extent economically feasible in the performance of the contract work, recycled paper products.
- SEC. 21. Section 12168 of the Public Contract Code is repealed.
- 12168. (a) Fitness and quality being equal, all local and state public agencies shall purchase recycled paper products instead of nonrecycled paper products whenever available at no more than the total cost of nonrecycled paper products. All local public agencies may give preference to the suppliers of recycled paper products. All local public agencies may define the amount of this preference.
- In bids in which the state has reserved the right to make multiple awards, the recycled paper preference cost shall be applied, to the extent possible, so as to maximize the dollar participation of firms offering recycled paper in the contract award.
- (b) The combined dollar amount of preferences granted pursuant to this section and any other provisions of law shall not exceed one hundred thousand dollars (\$100,000).

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(e) Notwithstanding subdivision (a), and subdivision (b) of Section 12162, the recycled paper bidder preference shall not exceed fifty thousand dollars (\$50,000) if a preference exceeding that amount would preclude an award to a small business that offers nonrecycled paper products and is qualified in accordance with Section 14838 of the Government Code. This provision shall apply only when the small business is the lowest responsible bidder or is eligible for contract award on the basis of application of the 5-percent business preference.

SEC. 22. Section 12169 of the Public Contract Code is repealed.

12169. All local public agencies shall require the bidder to specify the minimum, if not exact, percentage of recycled paper product in the paper products, and both the posteonsumer and secondary waste content regardless of whether the paper product meets the percentage of recycled paper product required pursuant to Section 12161. The contractor may certify zero recycled product. All contract provisions impeding the consideration of products with reclaimed paper content shall be deleted in favor of performance standards.

All printing contracts made by any local agency shall provide that the paper used shall meet the requirements of these provisions.

Except as otherwise provided in this article, state agencies shall also be subject to this section.

- SEC. 23. Article 2.1 (commencing with Section 12170) of Chapter 4 of Part 2 of Division 2 of the Public Contract Code is repealed.
- SEC. 24. Section 12181 of the Public Contract Code is repealed.
  - 12181. For purposes of this article, "eo-compost product" means an end product which meets all of the following requirements:
- (a) It is derived from a blending of materials, of which at least 80 percent, whenever possible, is household refuse and the remainder is sewage sludge or other comparable substitutes, including, but not limited to, nontoxic dairy wastes, livestock and harse manure, or fish westes
- 38 horse manure, or fish wastes.
  - (b) It is usable.

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(c) It is produced by the waste management facilities of counties, cities, or local agencies, or of private entities.

- SEC. 25. Section 12182 of the Public Contract Code is repealed.
- 12182. For purposes of this article, "compost product" means an end product which meets all of the following requirements:
- (a) It is derived from the controlled biological decomposition of a blend of organic wastes, including, but not limited to, wood byproducts, plant waste, including, but not limited to, rice straw, yard refuse, and sewage sludge.
  - (b) It is usable.

- (c) It is produced by the waste management facilities of counties, cities, or local agencies, or of private entities.
- SEC. 26. Section 12185 of the Public Contract Code is repealed.
- 12185. All state departments and agencies procuring compost and co-compost products in procurement, service, or construction contracts shall report to the department their purchasing activities, including, but not limited to, total contracting dollars, volume, and number of contracts. The department shall design an appropriate and uniform reporting mechanism which shall be made available to all state agencies.
- SEC. 27. Article 3.5 (commencing with Section 12190) is added to Chapter 4 of Part 2 of Division 2 of the Public Contract Code, to read:

## Article 3.5. Recycled Product Procurement Mandates Pertaining to Local Governments

- 12190. (a) If fitness and quality are equal, each local government entity and each state entity shall purchase recycled products instead of nonrecycled products whenever recycled products are available at the same or a lesser total cost than nonrecycled products.
- (b) A local public entity may give preference to suppliers of recycled products.
- (c) A local public entity may define the amount of this preference.
- 12191. In bids in which the local government has reserved the right to make multiple awards, the recycled product preference

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cost shall be applied, to the extent possible, so as to maximize the dollar participation of firms offering recycled product in the contract award.

- 12192. All local public entities shall require the bidder to specify the minimum, if not exact, percentage of recycled content of both the postconsumer and secondary material regardless of whether the product meets the minimum content requirements required pursuant to Section 12209. All contract provisions impeding the consideration of recycled products shall be deleted in favor of performance standards.
- 12193. All printing contracts made by any local public entity shall provide that the paper used shall meet the recycled content requirements of Section 12209.
- SEC. 28. Section 12200 of the Public Contract Code is amended to read:
- 12200. For the purpose of this article, the following definitions shall apply:
- (a) (1) Except as provided in paragraph (2), "recycled product" means all materials, goods, and supplies, no less than 50 percent of the total weight of which consists of secondary and posteonsumer material with not less than 10 percent of its total weight consisting of posteonsumer material. A recycled product shall include any product that could have been disposed of as solid waste having completed its life cycle as a consumer item, but otherwise is refurbished for reuse without substantial alteration of its form.
- (2) "Recycled product" also means other flat rolled steel products no less than 25 percent of the total weight of which consists of secondary and postconsumer material, with not less than 10 percent of total weight consisting of postconsumer material. Products made with flat rolled steel meeting these content percentages include, but are not limited to, automobiles, cans, appliances, and office furniture and supplies.
- (b) "Postconsumer material" means a finished material that would have been disposed of as a solid waste, having completed its life cycle as a consumer item, and does not include manufacturing wastes.
- (e) "Secondary material" means fragments of finished products or finished products of a manufacturing process that has converted a resource into a commodity of real economic value,

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and includes posteonsumer material, but does not include excess virgin resources of the manufacturing process.

- (a) "Board" means the California Integrated Waste Management Board, as defined pursuant to Section 40110 of the Public Resources Code.
- (b) "Business" includes bidders, contractors, and other interested parties that provide services to, or sell products to the state.
  - (c) "Department" means the Department of General Services.
  - (d) "Director" means the Director of General Services.
- (e) "Postconsumer material" means a finished material that would have been disposed of as a solid waste, having completed its life cycle as a consumer item, and does not include manufacturing wastes.
- (f) "Product categories" include paper products, printing, and writing papers, compost, cocompost, or mulch, glass, oil, plastic, solvents, paint, tires, tire-derived products, antifreeze, and metal.
- (g) "Purchase" means any contractual agreement that state agencies use to obtain goods or materials.
- (h) "Recycled products" mean goods or materials that meet the requirements identified in Section 12209, including any good or material that has been reused or refurbished without substantial alteration of its form.
- (i) "Reportable purchase" means the purchase of any goods or materials, with recycled content or not, that may be reported or categorized or classified within one of the product categories identified in Section 12207.
- (j) "Reportable recycled product purchase" means the purchase of any goods or materials that meet the requirements identified in Section 12209, that may be reported or categorized or classified within one of the product categories identified in Section 12207, including any good or material that has been reused or refurbished without substantial alteration of its form.
- 35 (k) "SABRC" means the State Agency Buy Recycled 36 Campaign. 37 (l) "Secondary material" means fragments of finished
  - (l) "Secondary material" means fragments of finished products or finished products of a manufacturing process, that has converted a resource into a commodity of real economic value, but does not include excess virgin resources of the

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1 manufacturing process, such as fibers recovered from 2 wastewater, trimmings of paper machine rolls, mill broke, 3 plastic, or metal trimmings, or shavings, or other residue from a 4 manufacturing process. Secondary material does not include 5 postconsumer material, so that the secondary material plus the 6 postconsumer material plus the virgin material adds up to 100 7 percent of the product.

- (m) "State agency" means each entity identified in Section 11000 of the Government Code, and includes the California State University.
- SEC. 29. Section 12201 is added to the Public Contract Code, to read:
- 12201. (a) The Legislature finds and declares that it is the policy of the state to conserve and protect its resources. The Legislature further finds and declares that the use of recycled products produced as the result of the superior waste management efforts by the state and local governmental entities will help conserve resources.
- (b) It is the intent of the Legislature that the state pursue all feasible measures to improve markets for recycled products including, but not limited to, bid evaluation preferences for purchases made by the state.
- (c) If fitness and quality are equal, each state agency shall purchase recycled products instead of nonrecycled products whenever recycled products are available at the same or a lesser total cost than nonrecycled products.
- SEC. 30. Section 12203 is added to the Public Contract Code, to read:
  - 12203. Each state agency shall ensure each of the following:
- (a) By July 1, 2005, and annually thereafter, at least 50 percent of reportable purchases are recycled products.
- (b) The requirements specified in this article apply to all reportable purchases of state agencies for product categories listed in this article.
- (c) The reportable purchases of state agencies shall meet each goal for, and be applied to the total dollar amount of, each specified product category as defined in this section. The purchase of a recycled–product from one category may not be applied toward the goals for, or the total dollar amount of, any other category listed in this section.

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(d) Each state agency shall require the businesses with whom it contracts to use, to the maximum extent economically feasible in the performance of the contract work, recycled products.

SEC. 31. Section 12205 of the Public Contract Code is repealed.

- 12205. (a) All state agencies shall require all contractors to certify in writing the minimum percentage, if not the exact percentage, of posteonsumer and secondary material in the materials, goods, or services provided or used. This certification shall be furnished under penalty of perjury.
- (b) The department, in consultation with the board, shall review and revise the procurement specifications used by state agencies in order to eliminate restrictive specifications and discrimination against the procurement or purchase of recycled products. Fitness and quality being equal, all state agencies shall purchase recycled products instead of nonrecycled products whenever recycled products are available at the same total cost as nonrecycled products. All state agencies shall allow a price preference, as determined by the board pursuant to Section 12162. In determining procurement specifications, with the exception of any specifications that have been established to preserve the public health and safety, all state procurement and purchasing specifications shall be established in a manner that results in the maximum state procurement and purchase of recycled products.
- (c) (1) To assist the state in meeting the requirements of subdivision (a) of Section 12162 and subdivision (c) of this section, the department, in consultation with the board, may also establish recycled-content disclosure, recycled product-only bids, cooperative purchasing arrangements, or conduct an analysis of solid waste diversion from disposal facilities, to meet the requirements for recycled products and to encourage the maximum state procurement and purchase of recycled products. All state agencies shall, if feasible, implement recycled product-only bids for recycled products as defined in subdivision (a) of Section 12200, in order to meet the requirements for recycled products set forth in this section and Section 12162.
- (2) This subdivision applies to the procurement or purchase of the following materials, goods, and supplies, or products containing the following recycled resources:

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- 1 (A) Paper products, that include, but are not limited to, fine 2 papers, such as xerographic and envelope papers and form bond, 3 corrugated boxes, newsprint, tissue, and toweling.
- 4 (B) Compost and cocompost products.
- 5 <del>(C) Glass.</del>

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- (D) Oil.
- 7 (E) Plastic.
- 8 (F) Solvents and paint, including water-based paint.
  - (G) Tires.
- 10 <del>(H) Steel.</del>
- 11 (I) Antifreeze.
  - (d) All state agencies shall, if feasible, establish purchasing practices that ensure the purchase of materials, goods, and supplies that may be recycled or reused when discarded.
  - (e) The department shall set the following requirements for purchases made by state agencies:
  - (1) By January 1, 1996, at least 20 percent of state purchases are of recycled products.
  - (2) By January 1, 1998, at least 30 percent of state purchases are of recycled products.
  - (3) On and after January 1, 2000, at least 50 percent of state purchases are of recycled products.
  - (4) The requirements specified in this subdivision shall be applied to the purchases of state agencies for products listed in this section, except in subparagraph (A) of paragraph (2) of subdivision (c) for which requirements are specified in Section 12162.
  - (f) The purchases of the state agencies shall meet each requirement for, and be applied to the total dollar amount of, each specified product category as defined in this section. The purchase of a recycled-content product from one category may not be applied toward the requirements for, or the total dollar amount of, any other category listed in this section or Section 12157, 12162, 12301, or 12305.
- 35 SEC. 32. Section 12205 is added to the Public Contract Code, 36 to read:
- 12205. (a) (1) All state agencies shall require all businesses to certify in writing the minimum percentage, if not the exact percentage, of postconsumer and secondary material in the products, materials, goods, or supplies offered or sold to the state

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regardless of whether the product meets the requirements of Section 12209. The certification shall be furnished under penalty 3 of perjury. The certification shall be provided regardless of content, even if the product contains no recycled material.

- (2) With respect to printer or duplication cartridges that comply with the requirements of subdivision (e) of Section 12156, the certification required by this subdivision shall specify that the cartridges so comply.
- (b) (1) All local public agencies shall require all businesses to certify in writing the minimum percentage, if not the exact percentage, of postconsumer and secondary material in the products, materials, goods, or supplies offered or sold. All contract provisions impeding the consideration of products with recycled product shall be deleted in favor of performance standards.
- (2) With respect to printer or duplication cartridges that comply with the requirements of subdivision (e) of Section 12156, the certification required by this subdivision shall specify that the cartridges so comply.
- (c) (1) All businesses shall certify in writing to the contracting officer or his or her representative the minimum percentage, if not the exact percentage, of postconsumer and secondary material in the products, materials, goods, or supplies being offered or sold to the state regardless of whether the product meets the requirements of Section 12209. The certification shall be furnished under penalty of perjury. The certification shall be provided regardless of content, even if the product contains no recycled material.
- (2) With respect to printer or duplication cartridges that comply with the requirements of subdivision (e) of Section 12156, the certification required by this subdivision shall specify that the cartridges so comply.
- (d) (1) All businesses shall certify in writing to the contracting officer or his or her representative the minimum, if not exact, percentage of secondary and postconsumer material in the products, materials, goods, or supplies being offered or sold to any local public agency.
- (2) With respect to printer or duplication cartridges that comply with the requirements of subdivision (e) of Section

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1 12156, the certification required by this subdivision shall specify that the cartridges so comply.

- SEC. 33. Section 12207 is added to the Public Contract Code, to read:
- 12207. This article applies to the purchase of goods and materials from the following product categories:
- (a) Paper products, including, but not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, and hanging files, building insulation and panels, corrugated boxes, tissue, and toweling.
- (b) Printing and writing papers including, but not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications.
- (c) Mulch, compost, and cocompost products including soil amendments, erosion controls, soil toppings, ground covers, weed suppressants, and organic materials used for water conservation.
- (1) "Compost" means a product that meets the following requirements:
- (A) It results from the controlled biological decomposition of organic materials, including, but not limited to, yard trimmings and wood byproducts that are separated from the municipal solid waste stream at the source of generation or at a centralized facility, or other source of organic materials.
- (B) It is produced by a public or private supplier that is in compliance with the board's composting operations regulatory requirements.
- (2) "Cocompost" means a product that meets the following requirements:
- (A) It results from the controlled biological decomposition of a blend of organic materials, including, but not limited to, yard trimmings and wood byproducts that are separated from the municipal solid waste stream at the source of generation or at a centralized facility, and also including, but not limited to, biosolids or other comparable substitutes such as livestock, horse, or other animal manure, food residues, or fish processing byproducts.

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(B) It is produced by a public or private supplier that is in compliance with the board's composting operations regulatory requirements.

- (3) "Mulch" means a product that meets the following requirements:
- (A) It results from the mechanical breakdown (chipping and grinding) of materials, including, but not limited to, yard trimmings and wood byproducts that are separated from the municipal solid waste stream at the source of generation or at a centralized facility.
- (B) It is produced by a public or private supplier that is in compliance with the board's composting operations regulatory requirements.
- (d) Glass products including, but not limited to, windows, test tubes, beakers, laboratory or hospital supplies, fiberglass (insulation), reflective beads, tiles, construction blocks, desktop accessories, flat glass sheets, loose–grain abrasives, deburring media, liquid filter media, and containers.
- (e) Lubricating oils including, but not limited to, any oil intended for use in a crankcase, transmission, engine, power steering, gearbox, differential chainsaw, transformer dielectric fluid, cutting, hydraulic, industrial, or automobile, bus, truck, vessel, plane, train, heavy equipment, or machinery powered by an internal combustion engine.
- (f) (1) Plastic products including, but not limited to, printer or duplication cartridges, diskette, carpet, office products, plastic lumber, buckets, waste baskets, containers, benches, tables, fencing, clothing, mats, packaging, signs, posts, binders, sheet, buckets, building products, garden hose, and trays.
- (2) For purposes of this subdivision, "printer or duplication cartridges" has the same meaning as described in paragraph (2) of subdivision (f) of Section 12209.
- (g) Solvents including, but not limited to, printer cleaner, copier cleaner, engine degreaser, and parts cleaner.
- (h) Paint, including, but not limited to, water-based paint, graffiti abatement, interior and exterior, and maintenance.
- (i) Antifreeze, including recycled antifreeze, and antifreeze containing a bittering agent or made from polypropylene or other similar nontoxic substance.

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(j) Tires including, but not limited to, truck and bus tires, and those used on fleet vehicles and passenger cars.

- (k) Tire-derived products including, but not limited to, flooring, mats, wheelchair ramps, playground cover, parking bumpers, bullet traps, hoses, bumpers, truck bedliners, pads, walkways, tree ties, road surfacing, wheel chocks, rollers, traffic control products, mudflaps, and posts.
- (1) Metal including, but not limited to, staplers, paper clips, steel furniture, desks, pedestals, scissors, jacks, rebar, pipe, plumbing fixtures, chairs, ladders, file cabinets, shelving, containers, lockers, sheet metal, girders, building and construction products, bridges, braces, nails, and screws.
- SEC. 34. Section 12209 is added to the Public Contract Code, to read:
- 12209. For purposes of this article, the following minimum content requirements apply:
- (a) For recycled paper products, the total weight shall consist of at least 30 percent postconsumer fiber. For the purposes of this article, the postconsumer content requirement for recycled paper products shall be 40 percent by July 1, 2006, and 50 percent by July 1, 2008.
- (b) Recycled printing and writing paper shall consist of at least 30 percent, by fiber weight, postconsumer fiber. For the purposes of this article, the postconsumer content requirement for recycled printing and writing paper shall be 40 percent by July 1, 2006, and 50 percent by July 1, 2008.
- (c) For recycled compost, cocompost, and mulch, at least 80 percent of the product shall consist of materials, including, but not limited to, the materials listed in subdivision (c) of Section 12207, that would otherwise be normally disposed of in landfills.
- (d) For recycled glass, the total weight shall consist of at least 10 percent postconsumer material.
- (e) Rerefined lubricating oil shall have a base oil content consisting of at least 70 percent rerefined oil.
- (f) (1) For recycled plastic products, other than printer or duplication cartridges, the total weight shall consist of at least 10 percent postconsumer material.
- 38 (2) Recycled printer or duplication cartridges shall comply 39 with either the requirements set forth in subdivision (e) of

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Section 12156 or the general requirement for recycled plastic products set forth in paragraph (1).

- (g) Recycled antifreeze fluid shall have a recycled content of at least 70 percent postconsumer materials.
- (h) Recycled paint shall have a recycled content consisting of at least 50 percent postconsumer paint. Preconsumer or secondary paint does not qualify as "recycled paint" pursuant to this subdivision. If paint containing 50 percent postconsumer content is unavailable, or is restricted by a local air quality management district, a state agency may substitute paint with at least 10 percent postconsumer content.
- (i) Retreaded tires must use an existing casing that has undergone an approved or accepted recapping or retreading process, in accordance with Chapter 7 (commencing with Section 42400) of Part 3 of Division 30 of the Public Resources Code.
- (j) For tire-derived products, the total content shall consist of at least 50 percent recycled used tires.
- (k) For recycled metal products, the total weight shall consist of a least 10 percent postconsumer material.
- 20 (*l*) For reused or refurbished products, there is no minimum 21 content requirement.
  - SEC. 35. Section 12210 of the Public Contract Code is repealed.
  - 12210. Fitness and quality being equal, all local and state public agencies shall purchase recycled products instead of nonrecycled products whenever available at no more than the total cost of nonrecycled products. All local public agencies may give preference to the suppliers of recycled products. All local public agencies may determine the amount of this preference.
  - SEC. 36. Section 12211 is added to the Public Contract Code, to read:
  - 12211. (a) Each state agency shall report annually to the board their progress in meeting the recycled product purchasing requirements using the SABRC report form provided by the board.
- 36 (b) On or before October 31 of each year, the department shall provide to the board the following information:
  - (1) A list, by category, of individual reportable recycled products, materials, goods, and supplies that were available for

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purchase by state agencies from a statewide-use contract, agreement, or schedule during the previous fiscal year.

- (2) A list, by category, of all reportable products, materials, goods, and supplies that were available for purchase by state agencies from a statewide—use contract, agreement, or schedule, including contract, agreement, or schedule tracking numbers, during the previous fiscal year.
- (c) The board shall annually provide a department-specific report to the Legislature identifying all state agency SABRC reporting figures.
- (d) Every three years, the board shall provide, as part of the report described in subdivision (c), recommendations to the Legislature for changes necessary to increase the purchase of recycled content products, materials, goods, and supplies and improve SABRC program efficiency.
- SEC. 37. Section 12213 of the Public Contract Code is repealed.
- 12213. All local public agencies shall require the bidder to specify the minimum, if not exact, percentage of recycled product in the products offered, both the posteonsumer and secondary waste content regardless of whether the product meets the percentage of recycled product required pursuant to subdivision (a) of Section 12200. All contract provisions impeding the consideration of products with recycled product shall be deleted in favor of performance standards.

Except as otherwise provided in this article, state agencies are also subject to this section.

- SEC. 38. Section 12215 is added to the Public Contract Code, to read:
- 12215. Each state agency may, at the discretion of the individual agency director or his or her designee, print a statement on recycled products selected by the agency director.
- This statement shall be determined by the department, in consultation with the board, and shall be similar to the following:
- 35 "Contains at least \_\_\_\_ percent postconsumer and \_\_\_\_ percent 36 secondary material."
- 37 SEC. 39. Section 12217 is added to the Public Contract Code, to read:
- 39 12217. (a) If at any time a requirement has not been met, the department, in consultation with the board, shall review

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purchasing policies and shall make recommendations for immediate revisions to ensure that the recycled product purchasing requirements are met.

- (b) In determining purchasing specifications, with the exception of any specifications that have been established to preserve the public health and safety, all state purchasing specifications shall be established in a manner that results in the maximum state purchase of recycled products.
- (c) If a recycled product, as defined in subdivision (h) of Section 12200, costs more than the same product made with virgin material, the state agency shall, if feasible, purchase fewer of those more costly products or apply the cost savings, if any, gained from buying other recycled products towards the purchase of those more costly products to meet the solid waste diversion goals of Section 41780.
- (d) Each state agency shall establish purchasing practices that ensure the purchase of goods and materials that may be recycled or reused. Each state agency shall continue activities for the collection, separation, and recycling of recyclable materials and may appoint a recycling coordinator to assist in implementing this section.
- (e) To assist the state in meeting the requirements of this article, each state agency, and the department, in consultation with the board, may also establish recycled product—only bids, cooperative purchasing arrangements, or other mechanisms to meet the requirements for recycled products and to encourage the maximum state purchase of recycled products.
- (f) The department, in consultation with the board, shall review and revise the purchasing specifications used by state agencies in order to eliminate restrictive specifications and discrimination against the purchase of recycled products and to ensure that they are drafted in a manner that results in the maximum state purchase of recycled products. All contract provisions impeding the consideration of recycled products shall be deleted in favor of performance standards.
- (g) Any state agency that is required to submit an SABRC report to the board, pursuant to Section 12211, is subject to a review conducted by the board or its designee.
- 39 SEC. 40. Section 12225 of the Public Contract Code is 40 repealed.

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12225. On or before August 31, 1991, and every year thereafter, the department, in consultation with the board, shall prepare a report to the Legislature describing the purchase and procurement of products purchased by the state before and after January 1, 1990. The report shall estimate the amount of recycled products utilized by state contractors before and after the enactment of this chapter. The report shall include, but not be limited to, the following:

- (a) Listed by department, the total dollar amounts, volume, and number of contracts of individual products purchased by the department and any other agency having delegated procurement authority pursuant to Section 10333.
- (b) Total dollar amounts, volume, and number of contracts of each product purchased by the state, which includes the Legislature, the California State University, and the University of California systems.
- (e) A list of individual recycled products purchased pursuant to Sections 10507.5 and 10860, inclusive, this chapter and Chapter 5 (commencing with Section 12300).
- (d) The total dollar amounts, volume, and number of contracts of individual products, whether recycled or nonrecycled, purchased by the state.
- (e) The total dollar amounts, volume, and number of contracts of recycled products including recycled paper and compost products purchased pursuant to Sections 10507.5 and 10860, inclusive, this chapter, and Chapter 5 (commencing with Section 12300).
- (f) The total dollar amount and volume of compost and cocompost products utilized by the state pursuant to Section 12183 or any other state or local program.
- (g) For recycled paper products purchased by procuring agencies, the total number of contracts, dollar amounts, and volume of those contracts that were eligible for the preference pursuant to Section 12162.
- (h) For each recycled product, including recycled paper and compost products, the total dollar amounts, volume, and number of contracts that were eligible for a preference or a combination thereof pursuant to Sections 4533, 7084, and 14838 of the
- 39 Government Code.

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(i) Total number of bids for each product listed in Section 12157, whether or not a contract was awarded the bid.

- (j) The range of dollar amounts for bids on procurement contracts which include, but is not limited to, contracts for the procurement of individual recycled products listed in Section 12157.
- (k) For each waste material, total revenue dollars and volume generated from the state waste materials collection program pursuant to Section 12165.
- (I) Recommendations to the Legislature as to revisions of the percentage amounts contained in the secondary material and posteonsumer material definitions for individual products that will result in greater procurement of recycled products composed of recycled resources that would otherwise be disposed of as solid waste in the state's disposal facilities.
- (m) Recommendations on specific products available containing secondary and postconsumer material that are procured by the state, used in the performance of a service or project for the state, and used in state construction contracts.

These products shall be recommended as candidates for the application of the recycled paper product preference described in Section 12162.

- (n) A list of products purchased in either large volumes or high dollar amounts by the state that are available as a recycled product, as identified by the board in consultation with the department. The board shall revise this list as products purchased by the state become feasibly available in recycled form. Any revised list shall be included in the annual report required by this section.
- SEC. 41. Section 12226 of the Public Contract Code is repealed.
- 12226. (a) It is the intent of the Legislature that the state pursue all feasible measures to improve markets for recycled products including, but not limited to, procurement preferences for purchases made by the state.
- (b) Not later than March 1, 1990, the board shall submit to the Legislature a report concerning the state's role in market development for recycling. The report shall address the need for and effectiveness of procurement preferences for the state purchase of recycled goods and materials. The report shall

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include, but not be limited to, an analysis of the role procurement preferences can play in encouraging recycling and expanding the markets for recycled goods and materials.

- SEC. 42. Section 40183 of the Public Resources Code is amended to read:
  - 40183. (a) "Rural city" means either of the following:

- (1) An incorporated A city that has a geographic area of less than three square miles, has a current waste disposal rate of less than 100 cubic yards per day, or 60 tons per day, and is located in a rural area.
- (2) An incorporated A city that has a population density of less than 1,500 people per square mile, has a current waste disposal rate of less than 100 cubic yards per day, or 60 tons per day, and is located in a rural area.
- (b) Nothing in this section shall affect any reduction granted to a rural city or rural county by the board pursuant to Section 41787 prior to September 1, 1994.
- SEC. 43. Article 3 (commencing with Section 42220) of Chapter 4 of Part 3 of Division 30 of the Public Resources Code is repealed.
- SEC. 44. Article 1 (commencing with Section 42360) of Chapter 6 of Part 3 of Division 30 of the Public Resources Code is repealed.
- SEC. 45. Article 2 (commencing with Section 42370) of Chapter 6 of Part 3 of Division 30 of the Public Resources Code is repealed.
- SEC. 46. Section 49120 of the Public Resources Code is amended to read:
- 49120. (a) Within 30 days after the filing with the Secretary of State of the certified copy of the order of formation, a governing board of trustees for the district shall be appointed.
- (b) The governing board of a district is a board of directors of not less than three members. The district board shall be appointed as follows:
- (1) If the district includes only one incorporated city, two members of the governing body shall be selected by the board of supervisors and one member of the governing body shall be selected by the city council.
- 39 (2) If the district includes two or more cities, only one member 40 of the governing body of the district shall be selected by the

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board of supervisors to represent the unincorporated area. The legislative body of each city within the district shall appoint one member to represent each incorporated city within the district. If the selection of members pursuant to this subdivision results in the governing body having an even number of members, those members may appoint an additional member from the district at large.

- (c) A vacancy shall be filled in the same manner as an original appointment. The person appointed shall reside within the area he or she represents.
- SEC. 47. Section 49300 of the Public Resources Code is amended to read:
- 13 49300. The legislative body of any incorporated *a* city may contract for the collection or disposal, or both, of garbage, waste, refuse, rubbish, offal, trimmings, or other refuse matter under the terms and conditions that are prescribed by the legislative body of the city by resolution or ordinance.